Luskin describes a system and method for adjusting the investment composition in a defined contribution plan (a type of pension plan). Adjustments are made based on the employee's preferences for risk versus return over the term of investment ending at a "time horizon" (col. 2, ll. 18-47). Luskin defines a "time horizon" as the date when "cash may be needed to be withdrawn from the fund" (col. 2, l. 35). As the "time horizon" approaches, the fund's mix of assets is adjusted to transfer holdings from riskier assets to those with less risk (col. 2, l. 39 to col. 3, l. 5; col. 6, ll. 32-46).

In applicants' previous Response to Office Action filed October 18, 2002, applicants demonstrated that Graff and Luskin, taken alone or in combination, fail to render unpatentable the pending claims. For example, applicants noted that independent claim 1 calls for making certain distributions to holders of the claimed trust units. More specifically, this claim recites:

> (a) computing the price of the trust units based on the share ratio for the period and the current values of the underlying bond and the equity security shares;
> (b) comparing the computed price of the unit to a predetermined threshold price;
> (c) making a distribution to unit holders based on the comparison . . .

With respect to these claim elements, applicants noted that although Graff makes periodic cash payments to investors, those payments are not based on a comparison between a computed price and a predetermined threshold price. Indeed, as the Examiner recognizes in paragraph 5 of the Office Action, "Graff fails to teach periodically computing the price of the trust units based on the share ratio for the period and the current values of the underlying bond and the shares of the security." Thus, Graff does not use an instrument's computed price in determining the amount to distribute to investors.

As applicants further noted in their Response of October 18, 2002, Luskin fails to supply this missing element. In particular, the cited portions of Luskin relied on by the Examiner refer to the way cash is distributed among the different portfolios of Luskin's system, not distributions to individuals that own fund shares. See, e.g., Luskin at col. 5, ll. 1-4 ("In one embodiment of the invention, and as illustrated in the FIG. 2, the investment mix is adjusted by adjusting the percentage of available cash distributed among the portfolios P_m in each fund F_n" (emphasis added)). Indeed, because Luskin's invention is directed to managing pension plans in the period before the investor's "time horizon" has been reached (see col. 2, ll. 18-25), Luskin does not expect to make any distributions to investors until that time (see col. 2, ll. 35-36 ("The time horizon H_i defines the expected date at which cash may need to be withdrawn from the fund . . .")).

The additional references cited by the Examiner, in particular CIBC, CJN, Satyajit, and Lange similarly fail to render the pending claims unpatentable. CIBC and CJN

at best demonstrate the existence of equity-linked notes, a type of bond that pays interest based on the performance of an equity market index.[1]

The Examiner asserts that motivation to combine these references (including Luskin and CIBC) is found in Luskin at col. 2, ll. 18-25. But, as noted, because Luskin is directed to a pension plan, he does not expect to make payments to an investor until the investor's time horizon is reached. By contrast, CIBC expressly teaches that note holders may "elect[] to receive early payment of interest prior to maturity." CIBC at 1. More generally, the Examiner fails to explain why it would have been obvious to combine CIBC's equity-linked note, with its potential for early interest payments, with Luskin's pension system.

Moreover, even assuming that these references could be logically combined, they nevertheless fail to disclose the invention of claim 1. More specifically, pending claim 1 further recites:

> (d) adjusting the share ratio of the units to reflect the distribution.

As will be recognized, since the number of equity security shares per trust unit is defined in the claim as the share ratio, decreasing a unit's share ratio represents a decrease in the number of shares per unit. Thus, in the invention of claim 1, a trust unit's composition changes as a result of the distribution. None of Graff, Luskin, CIBC, or CJN disclose changing such a share ratio as a result of distributions to investors.

The Examiner apparently cites Lange to satisfy this aspect of the claim. More specifically, the Examiner cites Lange for the proposition that "the composition of [a] trust changes with [a] distribution." It is respectfully submitted, however, that Lange does not disclose a trust or the effect on a trust when a distribution is made. Rather, Lange discloses a system for reducing transaction costs involved with trading "contingent claims relating to events of economic significance" (col. 6, ll. 51-52). In Lange, contingent claims include "stocks, bonds and other such securities, derivative securities, insurance contracts and reinsurance agreements, and any other financial products, instruments, contracts, assets, or liabilities whose value depends upon or reflects economic risk due to the occurrence of future, real-world events." (Col. 7, ll. 31-40). Lange provides a framework for speculators to actively trade contingent claims and receive a payout based on their demand for an outcome of the event, known as demand-based active return contingent claims (col. 8, ll. 24-28). The return is paid after a determination of the outcome of the event.

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[1] The Examiner cites Satyajit to demonstrate that equity-linked notes are in the prior art. Applicants note, however, that the Examiner has not provided a copy of the Satyajit reference but only a page from Barnes & Noble's web site that illustrates the cover of the book and lists its title, author, publisher, publication month and year. Applicants cannot ascertain from the information presented whether or not the reference supports the Examiner's proposition.

Moreover, even assuming that Lange did disclose the effect of distributions on a trust, the Examiner again fails to explain how this reference can be logically combined with the other cited references. As noted, Luskin is directed to a pension plan and CIBC is directed to an equity-linked note. The Examiner does not explain how or why one of ordinary skill would integrate Lange's "contingent claims marketplace" into these disparate systems and products.

In addition, even if the Examiner was able to establish adequate motivation to combine all these references, they nevertheless fail to meet claim 1. In particular, the distribution recited in claim 1 is a function of a comparison between a computed price and a predetermined threshold price. None of Graff, Luskin, CIBC, CJN, or Lange discloses such a distribution methodology, and accordingly, taken alone or in combination, fail to render obvious independent claim 1.

Furthermore, application No. 09/448,822 which matured into the Lange patent was filed on November 24, 1999, after the filing date of applicants' application. As such it would not normally be available as a reference under 35 U.S.C. § 102(e) or 35 U.S.C. § 103(a). And although Lange claims benefit of unpublished provisional patent application No. 60/144,890, the Examiner has not demonstrated that the subject matter for which Lange is cited was disclosed in that provisional application.

It is respectfully submitted that independent claims 11, 25, and 28 are also allowable over the cited prior art for reasons analogous to those discussed above in connection with claim 1.

It is further respectfully submitted that dependent claims 2, 4, 6-10, 12, 14, 15, 26, 29-36, 38-44, which incorporate by reference all the limitations of the respective independent claims from which they depend, are similarly allowable for at least the reasons discussed above in connection with independent claim 1.

The original due date for this Response was March 13, 2003. Accordingly, a Petition for an Extension of Time (two months) is submitted herewith to render this Response timely. Please charge any required fees in connection with this Response and Petition to Pennie & Edmonds LLP Deposit Account 16-1150.

In light of the above, it is respectfully submitted that all the pending claims are patentable over the cited prior art. Favorable disposition of the pending claims is therefore respectfully requested.

Respectfully submitted,

Reg. No. 36,196

Date April 25, 2003 | 22,411

By: Barry D. Rein (Reg. No.)

PENNIE & EDMONDS LLP
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New York, New York 10036-2711
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Express Mail No EL 501 759 290 US
Serial No. 09/397,704
Inventor Altomare et al..
For System and Method for Administering Principal Protected Equity Linked Financial Instruments

Date Mailed 4/25/2003
Filed 9/16/1999

- ☐ Affidavit/Declaration
- ☒ Amendment
- ☐ Application pages
- ☐ Claims Drawing Sheets
- ☐ Appeal, Notice of
- ☐ Assignment
- ☐ Brief (in Triplicate)
- ☐ Declaration & Power of Attorney
- ☐ Design Application
- ☐ Disclaimer
- ☐ Disclaimer
- ☐ Disclosure Statement ☐ Form PTO-1449
- ☐ w.refs. ☐ w/o refs.
- ☐ Drawings, Formal
  Sheets Figures

- ☐ Fee Address Indication Form
- ☐ Fee Calculation
- ☐ Issue Fee Transmittal
- ☐ Letter
- ☐ Oral Hearing Request/Confirm
- ☒ Petition to Extend Time
- ☐ Petition Under 37 C.F.R.
- ☐ Power of Attorney
  ☐ Associate ☐ w/Revocation
- ☐ Sequence Listing w/ Computer Readable and Paper Copy
- ☐ Small Entity Statement
- ☐ Status Letter
- ☐ Transmittal Letter
- ☒ Fee By Deposit Account 16-1150

Other:
File no.: 6925-196-999

Sender: R. Gingher

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/397,704	09/16/1999	GERALD Craig ALTOMARE	6925-196	9091

20583 7590 12/13/2002

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NEW YORK, NY 100362711

EXAMINER	
AKERS, GEOFFREY R	

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 12/13/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Amendment due 3/13/03

REFERRED TO R. Gingher
REC'D
DEC 18 2002
Pennie & Edmonds
O.K. for filing
1725

PTO-90C (Rev. 07-01)

8

Office Action Summary	Application No. 09/397704	Applicant(s) Altomare
	Examiner Ahsen, G	Group Art Unit 3624

—*The MAILING DATE of this communication appears on the cover sheet beneath the correspondence address*—

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, such period shall, by default, expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

Status

- [x] Responsive to communication(s) filed on 10/18/02.
- [ ] This action is **FINAL**.
- [ ] Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 1 1; 453 O.G. 213.

Disposition of Claims

- [x] Claim(s) 1-2, 6-12, 15, 25-26, 28-36, 38-44 is/are pending in the application.
  Of the above claim(s) ______ is/are withdrawn from consideration.
- [ ] Claim(s) ______ is/are allowed.
- [x] Claim(s) 1-2, 6-12, 15, 25-26, 28-36, 38-44 is/are rejected.
- [ ] Claim(s) ______ is/are objected to.
- [ ] Claim(s) ______ are subject to restriction or election requirement.

Application Papers

- [ ] See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.
- [ ] The proposed drawing correction, filed on ______ is [ ] approved [ ] disapproved.
- [ ] The drawing(s) filed on ______ is/are objected to by the Examiner.
- [ ] The specification is objected to by the Examiner.
- [ ] The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119 (a)-(d)

- [ ] Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 11 9(a)-(d).
  - [ ] All [ ] Some* [ ] None of the CERTIFIED copies of the priority documents have been
  - [ ] received.
  - [ ] received in Application No. (Series Code/Serial Number) ______.
  - [ ] received in this national stage application from the International Bureau (PCT Rule 1 7.2(a)).

*Certified copies not received: ______

Attachment(s)

- [ ] Information Disclosure Statement(s), PTO-1449, Paper No(s). ______
- [x] Notice of Reference(s) Cited, PTO-892
- [ ] Notice of Draftsperson's Patent Drawing Review, PTO-948
- [ ] Interview Summary, PTO-413
- [ ] Notice of Informal Patent Application, PTO-
- [ ] Other ______

Office Action Summary Paper # 8

DETAILED ACTION

Response to Amendment

1. This action is issued in response to applicant's Amendment A(Paper #7) filed 10/18/02.

2. Claims 3,5,13,16-24,27,37 were cancelled. Claims 1,2,4,7,11,12,15,25,26,28,29,33,36,40 were amended. New claims 41-44 were added.

3. Claims 1-2,6-12,15,25-26,28-36,38-44 are pending.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

5. Claims 1-2,6-12,15,25-26,28-36,38-44 are rejected under 35 USC 103(a) as unpatentable over Graff(US Pat. No: 5,802,501) in view of Luskin(US Pat. No: 5,812,987) in view of CIBC World Markets("CIBC") in view of The Canadian Jewish News(2/11/99)("CJN") in view of Satyajit(1/96) and further in view of Lange(US Pat. No: 6,321,212).

6.(AMENDED) As per claims 1,11,25,28 Graff teaches a computer-based method for administering financial instruments comprising the steps of establishing a trust(col 2 lines 63-66)(col 36 lines 41-66) with trust units(col 5 line 5) each unit comprising a bond having a maturity date(col 4 lines 1-31) and one or more shares of a security(col 4 line 47-col 5 line 8)(col 30 lines 14-24) where the total number of shares is defined as a share ratio and a unit par price is

determined based on the values of the underlying bond and the shares of the security at a predetermined time(Abstract)(col 2 line 60-col 3 line 17)(Fig 1)(Fig 6)(col 11 lines 15-18)(col 24 line 60-col 26 line 56).Graff fails to teach periodically computing the price of the trust units based on the share ratio for the period and the current values of the underlying bond and the shares of the security. Luskin teaches this(Abstract)(Fig 6/808/712)(Fig 8/809/807/811/813)(col 2 line 29-63)(col 3 line 39-col 4 line 67) as well as comparing the computed price of the unit to a predetermined price and making a distribution to unit holders based on the comparison(col 5 lines 1-15)(col 6 line 5-16)(col 8 lines 7-19)(col 9 line 37-col 12 line 10).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk

management utilizing the dynamism of the contingent claims marketplace as enuinciated by Lange(col 5 line 62-col 6 line 59).

7. (AMENDED)As per claims 2,6,8,(14)((22))(((19))),((((35)))),(((((37))))),((((((38)))))) 41,(42),((43)), (((44))) Graff teaches making a final payment on the maturity date of the bond(Fig 5A)(Fig 5B)(Fig 5C)(Fig 5D). Graff however fails to teach a method according to claims 1,(11),((21)),(((16))),((((28)))), (((((27))))), ((((((28)))))) respectively wherein some of the distribution is made of shares of the security as well as the distribution comprising distributing the excess of the current price and the predetermined price and reinvesting distributions made to unit holders into new units(Fig 6/904) Luskin teaches this (col 5 lines 1-15)(col 6 lines 5-16)(Fig 6/808).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC also teaches distributing funds to investors(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6) and that payments are tied to performance of the linked elements. It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The

motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enuinciated by Lange(col 5 line 62-col 6 line 59).

8.(AMENDED) As per claims 4,12,20,33 Graff fails to teach according to the method of claims 2,11,19,28 respectively comprising the step of converting the excess difference into an excess number of shares based on the current share price. Luskin teaches this(col 2 lines 38-47)(col 3 lines 2-5)(col 3 line 57-60)(col 5 lines 1-31).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It also would have been obvious to one skilled in the art at the time of the invention to

combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

9. As per claims 21,34 Graff fails to teach the method of claims 20,33 respectively adjusting the share ratio of the trust units to reflect the distributed number of shares.Luskin teaches this(Abstract)(Fig 6/808/712)(Fig 8/809/807/811/813)(col 2 line 29-63)(col 3 line 39-col 4 line 67).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also

would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

10.(AMENDED) As per claims 7,15,36 Graff fails to teach the method of claims 4,12,35 respectively comprising the step of reinvesting distributions made to unitholders.Luskin teaches this(col 2 lines 38-47)(col 3 lines 2-5)(col 3 line 57-60)(col 5 lines 1-31).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6).It also would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

11. As per claim 9,18 Graff teaches a computer software product for implementing the steps of the method of claim 1 on a computer(Abstract)(col 5 lines 11-23)(col 5 line 65-col 6 line 23).

12.(AMENDED) As per claims 10,39 Graff fails to teach a computer software product of claims 9,28 comprising an Excel spreadsheet program. Luskin teaches this (col 5 line 66-col 6 line 4).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The

motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

13. As per claim 17 Graff teaches the system of claim 16 wherein the database is an access database(col 11 lines 18-58)(Fig 2).

14.(AMENDED) As per claim 26 Graff fails to teach the method of claim 25 wherein some of the distribution to unit holders is made in shares of the security. Luskin teaches this (col 5 lines 1-15)(col 6 line 5-16)(col 8 lines 7-19)(col 9 line 37-col 12 line 10).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also

would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enuinciated by Lange(col 5 line 62-col 6 line 59).

15.(AMENDED) As per claim 29 Graff fails to teach specifically that the security selected is among the large cap stocks. Luskin teaches this(col 2 lines 32-34)(col 4 lines 43-49)(col 6 lines 13-18)(col 8 lines 8-61)(Table 1).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time of the

invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

16. As per claim 30 Graff fails to teach the method of claim 28 wherein the long-term bond issue is a US Treasury strip. Luskin teaches this(col 2 lines 32-34)(col 2 lines 62-63)(col 4 lines 43-49)(col 6 lines 13-18)(col 8 lines 8-61)(Table 1)..It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time

of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

17. As per claim 31Graff fails to teach the method of claim 30 wherein the term for the bond is between 20-30 years. Luskin teaches this(col 2 lines 32-34)(col 4 lines 43-49)(col 6 lines 13-18)(col 8 lines 8-61)(Table 1).It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time of the

invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enunciated by Lange(col 5 line 62-col 6 line 59).

18. As per claim 32 Graff fails to teach the method of claim 28 wherein the period for determining the value of the trust units is quarterly. Luskin teaches this(Abstract)(Fig 6/808/712)(Fig 8/809/807/811/813)(col 2 line 29-63)(col 3 line 39-col 4 line 67).Furthermore Luskin teaches this method for a company 401K retirement which is reviewed quarterly(col 2 lines 50-53). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).CIBC teaches distributing funds to investors.(Page 1) on an equity-linked note.(CJN(page 1) and Satyajit(page 2) demonstrate that equity-linked notes are in the field of prior art.) Lange teaches that the composition of the trust changes with the distribution(Abstract)(Fig 4/265/267)(Fig 5/460)(col 7 lines 19-55)(col 8 line 49-col 11 line 16)(col 28 line 12-col 36 line 12)(col 63 line 60-col 68 line 6). It would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin to teach the above. The motivation to combine is to teach a method for one to make appropriate investments to select investments that reflect risk-return trade-offs and to revise these

investments through time in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).It also would have been obvious to one skilled in the art at the time of the invention to combine Graff in view of Luskin in view of CIBC and further in view of Lange to teach all the above. The motivation to combine is to teach a method for financial risk management utilizing the dynamism of the contingent claims marketplace as enuinciated by Lange(col 5 line 62-col 6 line 59).

19.(AMENDED) As per claim 40 Graff teaches the system of claim 39 further comprising information about the trust units and customer accounts in a database accessible by the account administrator(Fig 3)(Fig 2/32)(col 16 lines 26-39).

Response to Arguments

20. Applicant's arguments with respect to claims listed above have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

21. **THIS ACTION IS MADE NON-FINAL.**

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22. Any questions concerning this communication should be addressed to the examiner of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday through Friday at 703-306-5844. If attempts to contact the examiner are unsuccessful, the examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 2100 or this Art Unit is (703)-308-6296 or 6306. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703)-305-3900.

GRA

December 10, 2002

Notice of References Cited

Application No.	Applicant(s)		
09/397764	Altieri		
Examiner		Group Art Unit	Page 1 of 1
Alvarez, J		3624	

U.S. PATENT DOCUMENTS

*		DOCUMENT NO.	DATE	NAME	CLASS	SUBCLASS
	A	6321212	11/20/01	Lange	705	37
	B					
	C					
	D					
	E					
	F					
	G					
	H					
	I					
	J					
	K					
	L					
	M					

FOREIGN PATENT DOCUMENTS

*		DOCUMENT NO.	DATE	COUNTRY	NAME	CLASS	SUBCLASS
	N						
	O						
	P						
	Q						
	R						
	S						
	T						

NON-PATENT DOCUMENTS

*		DOCUMENT (Including Author, Title, Source, and Pertinent Pages)	DATE
	U	CIBC World Markets "Structured Notes - ELN"	1999
	V	Canadian Bank News (2/19/99) - "ELNs give RRSP exposure"	2/99
	W	Barron's Mills "Credit Derivatives (1/98) + Structured	1/96
	X	Notes (1/96) - [illegible]	

* A copy of this reference is not being furnished with this Office action.
(See Manual of Patent Examining Procedure, Section 707.05(a).)

U.S. Patent and Trademark Office
PTO-892 (Rev. 9-96)

Part of Paper No. 8

The below text replaces the pre-printed text under the heading, "Information on How to Effect Drawing Changes," on the back of the PTO-948 (Rev. 03/01, or earlier) form.

INFORMATION ON HOW TO EFFECT DRAWING CHANGES

1. Correction of Informalities -- 37 CFR 1.85

New corrected drawings must be filed with the changes incorporated therein. Identifying indicia, if provided, should include the title of the invention, inventor's name, and application number, or docket number (if any) if an application number has not been assigned to the application. If this information is provided, it must be placed on the front of each sheet and centered within the top margin. If corrected drawings are required in a Notice of Allowability (PTOL-37), the new drawings **MUST** be filed within the **THREE MONTH** shortened statutory period set for reply in the Notice of Allowability. Extensions of time may NOT be obtained under the provisions of 37 CFR 1.136(a) or (b) for filing the corrected drawings after the mailing of a Notice of Allowability. The drawings should be filed as a separate paper with a transmittal letter addressed to the Official Draftsperson.

2. Corrections other than Informalities Noted by Draftsperson on form PTO-948.

All changes to the drawings, other than informalities noted by the Draftsperson, **MUST** be made in the same manner as above except that, normally, a highlighted (preferably red ink) sketch of the changes to be incorporated into the new drawings **MUST** be approved by the examiner before the application will be allowed. No changes will be permitted to be made, other than correction of informalities, unless the examiner has approved the proposed changes.

Timing of Corrections

Applicant is required to submit the drawing corrections <u>within the time period set in the attached Office communication</u>. See 37 CFR 1.85(a).

Failure to take corrective action within the set period will result in ABANDONMENT of the application.

Re 01 01